



# Weekly Management Report

## March 30, 2018

1. **Notice**      Art in Public Places Committee  
Meeting Cancellation Notice for April 2, 2018  
**Parks and Recreation Department**
2. **Synopsis**    **Burbank Hospitality Association**  
Meeting of February 21, 2018  
**Community Development Department**
3. **Notice**      Call and Notice of a Regular Meeting of the  
Burbank-Glendale-Pasadena Airport Authority  
Meeting to be held on April 2, 2018  
**Burbank-Glendale-Pasadena Airport Authority**
4. **Minutes**     Burbank Water and Power Board  
Meeting of March 8, 2018  
**Burbank Water and Power**
5. **Report**      February 2018 Operating Results  
**Burbank Water and Power**
6. **Notes**       City Notes, March 30, 2018  
**City Manager**



**CITY OF BURBANK**  
***Parks & Recreation***  
***ART IN PUBLIC PLACE COMMITTEE***

**NOTICE OF MEETING – CANCELLED**

The meeting of the Art in Public Places Committee will be held as follows:

**MONDAY, April 2, 2018**  
**6:00 P.M.**

Community Services Building  
Large Parks and Recreation Conference Room 301  
150 N. Third Street  
Burbank, CA 91502

**ART IN PUBLIC PLACES COMMITTEE**

*Paula Ohan*

Recording Secretary

\* \* \* \*

Distribution:

**Committee Members –**

Karen Bradfield  
Robert Brody  
Gordon Haines  
Carole Kubasak  
Dink O'Neal  
Carolyn Jackson – Parks and Recreation Board Liaison  
Diane Eaton – Planning Board Liaison

**Staff –**

Marisa Garcia – Assistant Director of Parks & Recreation  
Paula Ohan – Administrative Analyst

**Management Personnel –**

Ron Davis – City Manager  
City Clerk





# memorandum

**DATE:** March 21, 2018

**TO:** Ron Davis, City Manager

**FROM:** Patrick Prescott, Community Development Director  
Via: Simone McFarland, Assistant Community Development Director-  
Business and Economic Development

**SUBJECT: THE BURBANK HOSPITALITY ASSOCIATION (BHA)  
MEETING SYNOPSIS –FEBRUARY 21, 2018**

- The Board approved the term renewal of Board Member Alan Puana, Director of Sales, Universal Studios Hollywood, for another two year term.
- The Board approved renderings of a new trade show booth to be developed for the International Pow Wow (IPW) convention which will be attended in partnership with the Hollywood Burbank Airport. IPW is a multi-day convention that allows staff to meet with wholesalers, airlines, online travel agents, and media companies both domestically and internationally in an effort to conduct future travel business to the destination.
- The Board held a discussion on the feasibility of implementing high speed fiber optics through the services of ONE Burbank for Destination Development efforts. To date, only one hotelier has agreed to receive services, and therefore, no action was taken until more hoteliers are able to reach a decision whether or not their property can commit to the services of ONE Burbank.
- The Sponsorship Ad-Hoc Advisory Committee (Committee) met and established protocol on how sponsorships will be presented and considered for approval. The BHA will accept sponsorship applications twice a year in January and July in accordance with their sponsorship guidelines. The Committee will review applications and present their recommendations to the Board for consideration. The BHA will formally adopt a resolution solidifying this procedure at the next regularly scheduled meeting.
- The Board approved for staff to attend the May 2018 CalTravel Summit in order to collaborate with the more than 80 California Destination Marketing Organizations and stay informed on the latest political issues, legal analysis, trends, and best practices.





March 29, 2018

CALL AND NOTICE OF A REGULAR MEETING  
OF THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a regular meeting of the Burbank-Glendale-Pasadena Airport Authority will be held Monday, April 2, 2018, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 Hollywood Way, Burbank, California 91505.

Terri Williams, Board Secretary  
Burbank-Glendale-Pasadena Airport Authority

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Regular Meeting of Monday, April 2, 2018

9.00 A.M.

**NOTE TO THE PUBLIC:** *The Commission invites public comments on airport-related non-agenda matters during the Public Comment period. The Commission will receive public comments on agenda items as each item is reached. Members of the public are requested to observe the following decorum when attending or participating in meetings of the Commission:*

- *Turn off cellular telephones and pagers.*
- *Refrain from disorderly or boisterous conduct, including loud, threatening, profane, or abusive language, clapping, whistling, stamping, or other acts that disrupt or otherwise render unfeasible the orderly conduct of the meeting.*
- *If you desire to address the Commission during the Public Comment period, fill out a speaker request card and present it to the Commission's secretary.*
- *Limit public comments to five minutes, or such other period of time as may be specified by the presiding officer, and confine remarks to matters that are on the Commission's agenda for consideration or are otherwise within the subject matter jurisdiction of the Commission.*

*Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.*

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*In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.*

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. CONSENT CALENDAR
  - a. Committee Minutes  
(For Note and File)
    - 1) Operations and Development Committee

(i) February 20, 2018

**[See page 1]**

2) Finance and Administration Committee

(i) February 20, 2018

***[See page 3]***

b. Commission Minutes  
(For Approval)

1) March 19, 2018

***[See page 7]***

c. January 2018 Treasurer's Report

***[See page 14]***

d. Third Amendment to the Wireless Communications  
License Agreement Between Burbank-Glendale-Pasadena  
Airport Authority and AWH Burbank Hotel LLC

***[See page 37]***

e. Annual Review and Adjustment of Noise Violation Fines

***[See page 42]***

6. ITEMS FOR COMMISSION APPROVAL

a. Contract Amendment– Authorization to Amend  
Construction Contract G & S Mechanical USA, Inc.,  
for Additional Modifications to Baggage Recapitalization  
System Modification Project

***[See page 44]***

b. Award of Contract – Hangar 1A West Ramp Paving  
Rehabilitation Project Number E17-22

***[See page 49]***

c. Award of Agreement – Purchase Order to Service Tracking  
Systems, Inc., for Computerized Valet Parking System Upgrade

***[See page 55]***

d. Award of Agreement – Professional Service Agreement for  
Maintenance and Search Engine Optimization for Replacement  
Terminal Website ([www.BURreplacementterminal.com](http://www.BURreplacementterminal.com))

***[See page 64]***

e. Award of Agreement - Substation Reimbursement Agreement;  
Substation Capacity Assignment Agreement

***[See page 66]***

7. ITEMS FOR COMMISSION INFORMATION

a. Hollywood Burbank Airport Tower Banner Student Art Contest:  
Presentation of Winning Entries

***[No Staff Report]***

b. Presentation: Terminal Concessions Update

***[No Staff Report]***

8. CLOSED SESSION

a. EXISTING CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(California Government Code Section 54956.9(d)(1))  
Name of Case: Neal v. Burbank-Glendale-Pasadena Airport Authority  
(WCAB Case No. ADJ10220357)

9. COMMISSIONER COMMENTS  
(Updates and information items, if any)

10. ADJOURNMENT



**BURBANK WATER AND POWER BOARD  
MINUTES OF MEETING  
MARCH 8, 2018**

Mr. Eskandar called the regular meeting of the Burbank Water and Power Board to order at 5:09 p.m. in the third floor Boardroom of the BWP Administration Building, 164 W. Magnolia Boulevard, Burbank, California.

Mr. Eskandar called for the Pledge of Allegiance to the Flag.

**ROLL CALL**

**Board Present:** Mr. Eskandar, Mr. Smith, Mr. Ford, Mr. Herman, Ms. LaCamera, Ms. Obal, Mr. Olson

**Board Absent:** None

**Staff Present:** Mr. Somoano, General Manager, BWP; Mr. Liu, Chief Financial Officer; Mr. Chwang, City Attorney; Mr. Ancheta, Assistant General Manager, Electrical; Mr. Blevians, Assistant General Manager, Power Supply; Mr. Compton, Assistant General Manager, Chief Technology Officer; Mr. Mace, Assistant General Manager, Water; Mr. Thompson, Manager Water Engineering/Planning; Mr. Hammond, Manager, ECC; Mr. Messineo, Power Production Manager; Mr. Adkins, Financial Accounting Manager/BWP; Ms. Waloejo, Financial Planning and Risk Manager; Mr. Swe, Financial Analyst; Ms. Kaczmarek, Manager, Customer Service Operations; Ms. O'Brien, Customer Service Supervisor; Mr. Hernandez, Customer Service Supervisor; Mr. Flores, Marketing Associate; Mr. Kulkarni, Marketing Associate; Mr. Aquino, Administrative Officer, Ms. Titus, Legislative Analyst; Ms. Kramer, Recording Secretary

**INTRODUCTION OF ADDITIONAL AGENDA ITEMS**

None requested.

**ORAL COMMUNICATIONS**

Mr. Eskandar called for oral communications at this time. No one asked to speak. Mr. Eskandar acknowledged that today is International Women's Day, and recognized all the women present and those who may be watching at home by thanking them for all that they do.

**CONSENT CALENDAR**

**MINUTES**

It was moved by Mr. Herman, seconded by Mr. Olson, and carried 7-0 to approve the meeting minutes of the regular meeting of February 8, 2018.



## **REPORTS TO THE BOARD**

### **BWP OPERATIONS AND FINANCIAL REPORTS**

Mr. Liu presented BWP's financial update and operating report for the month of January 2018.

Mr. Liu, Mr. Somoano, and Mr. Blevens responded to Board Member questions.

This was an information item only. No action was taken.

### **PROPOSED FISCAL YEAR 2018-19 BUDGET**

Mr. Somoano gave a presentation on the changes made to the Proposed FY 2018-19 Budget since the last presentation made to the Board at the February Board Meeting.

Mr. Somoano and staff responded to Board Member questions. Mr. Swe followed Mr. Somoano's presentation with a PowerPoint presentation regarding rate design.

Board discussion continued as Mr. Smith made a motion to approve staff's recommendation, which was seconded by Mr. Herman.

Mr. Eskandar noted that in his opinion the Board reluctantly recommends the 4.9% rate increase.

Prior to the Board vote, Mr. Olson requested that his opinion on this budget be reflected in the meeting minutes, as this budget will go on to the City Manager, he hopes that the City Manager will be able to provide some clarity for him. Mr. Olson will not be able to recommend the budget as he finds there is too much that he does not get, he hopes by the time the City Manager gets through with it that there is more clarity to it, and he agrees that the 4.9 % rate increase is something he finds hard to justify given the clarity of the presentation.

It was moved by Mr. Smith, seconded by Mr. Herman, and carried with 6 yes votes, noting 1 no vote by Mr. Olson, that the BWP Board endorse staff's recommendation that the BWP Board recommend approval of the Utility's Proposed FY 2018-19 Budget by the Burbank City Council for funds 496, 497, 483, 129, 133, and 535, including a proposed water rate increase of 4.9%, and no increase to the Electric Fund.

Mr. Somoano thanked everyone for their contribution to this year's budget process and budget presentations. Mr. Eskandar requested that the Board be notified when the budget is to be presented to the City Council.

### **SUSTAINABLE BURBANK COMMISSION REPORT**

Ms. LaCamera reported that there has not been a meeting of the Sustainable Burbank Commission since the last Board Meeting.

## **INFORMATION FROM STAFF**

### **LEGISLATIVE UPDATE**

Ms. Titus presented a federal and state legislative update and distributed a legislative handout to the Board. Ms. Titus highlighted key water and electric bills which BWP is monitoring. Ms. Titus, Mr. Somoano, and Mr. Compton responded to Board Member questions.

### **WATER SUPPLY UPDATE**

Mr. Mace reviewed State Water Project allocations, water supply and water storage. There has been minimal changes to water supply since the last update. As the weather continues to change, it may affect projections. Mr. Mace responded to Board Member questions.

### **POWER SUPPLY UPDATE**

Mr. Bleveans provided an update on Power Supply. He reported out on the recent cold snap which caused So Cal Gas to issue a natural gas curtailment. BWP was well prepared for this event, as their planning became operations. There were limits on operations, but no threat to electric reliability in Burbank, due to the successful preplanning by BWP staff.

Mr. Bleveans also provided a brief overview of the Magnolia Power Plant and its operations.

Mr. Bleveans, Mr. Somoano, Mr. Messineo, and Mr. Hammond responded to Board Member questions.

## **COMMENTS AND REQUESTS FROM BOARD MEMBERS**

Mr. Somoano announced the hiring of the new Assistant General Manager for Customer Service and Marketing, Mr. Daniel Tunnichliff. Mr. Tunnichliff joins BWP from Southern California Edison and has 26 years of experience in the Utility industry. A nationwide search was conducted by a Recruiter, Linda Paul, interviews were conducted, and Mr. Tunnichliff was selected as the best candidate to fill the position. Mr. Tunnichliff should start in April.

Ms. LaCamera commented that she believes that staff did a great job preparing the budget. She recognizes the necessity of the 4.9% rate increase for water.

Mr. Olson requested that his comments be reflected in the record of how extraordinarily disappointed he was with BWP in this age of diversity that they could not work hard enough to find a woman to fill the position of Assistant General Manager, Customer Service and Marketing. Mr. Olson is disappointed in the final analysis that neither the recruiter nor the hiring process could find a young woman who could grow in the position as Joanne had done, in order to maintain gender diversity in our utility.

Mr. Smith responded to Mr. Olson's comments. Mr. Smith knows Mr. Tunnichliff personally and he believes he will be an excellent Assistant General Manager. Mr. Tunnichliff also advised Mr. Smith that he was impressed with the City's hiring process, it is something the Board should be proud of. Mr. Smith hopes that the best practices associated with the recruitment/hiring process are captured so they may continue successfully. Mr. Smith also commented on the

significant cyber security risks that the utility could possibly face as the owner/operators of EV charging systems that contain customer information.

Mr. Ford echoed Ms. La Camera's comments on the budget, also recognizing the justification for the water rate increase.

Ms. Obal commented on the budget further, even though we are increasing the water rate we are still the lowest among other utilities.

Mr. Eskandar inquired if BWP is taking any new precautions with the la tuna canyon burn area in advance of this weekend's forecasted rainstorms. He requested that Mr. Somoano notify the Board of any notable events should they occur.

### **ADJOURNMENT**

The meeting was adjourned at 8:49 pm. The next scheduled Board meeting is April 5, 2018 and will be held in the third floor Boardroom at Burbank Water and Power.

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Lyndsey Kramer  
Recording Secretary

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Jorge Somoano  
Secretary to the Board

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Philippe Eskandar, Chair, BWP Board





**CITY OF BURBANK  
BURBANK WATER AND POWER  
STAFF REPORT**

**DATE:** April 5, 2018  
**TO:** BWP Board  
**FROM:** Jorge Somoano, General Manager, BWP  
**SUBJECT:** February 2018 Operating Results

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**SAFETY**

Burbank Water and Power had one new reportable lost time injury during February 2018.

**Water Results of Operations**

For the month of February, Potable water usage was 20% (62 million gallons) higher than budgeted due to lower than average rainfall in the month of February. Potable Water Revenues were \$120,000 better than budgeted. Recycled water usage was 25% (12 million gallons) higher than budgeted. Recycled Water Revenues were correspondingly \$47,000 better than budgeted. February Water Supply Expenses were \$43,000 higher than budgeted, driven by the higher demand. February's Gross Margin was \$119,000 better than budgeted. Net Income was -\$240,000, which was \$119,000 better than budgeted.

February fiscal-year-to-date (FYTD) potable water usage was 7% (240 million gallons) higher than budgeted and FYTD February Potable Water Revenues were correspondingly \$413,000 higher than budgeted. FYTD recycled usage was 5% (38 million gallons) better than budgeted and Recycled Water Revenues were correspondingly \$73,000 better than budgeted. FYTD Water Supply Expenses were \$407,000 higher than budgeted, driven by higher demand. The FYTD February Gross Margin was \$87,000 better than budgeted. Operating Expenses were \$934,000 better than budgeted. Net Income was \$2,219,000, which was \$978,000 better than budgeted.

**Electric Results of Operations**

For the month of February, electric loads were 6% lower than budgeted due to conservation. Retail Sales were \$355,000 better than budgeted partially due to higher than normal demand revenues and energy usage during mid-peak hours. February Power Supply Expenses were \$515,000 better than budgeted primarily due to lower usage of biomethane gas than planned and savings from biomethane restructuring, receiving less renewable energy than planned from Copper Mountain & Don Campbell, and is partially offset by higher than planned transmission expenses. February's wholesale margin was

\$111,000 better than budgeted. February's Gross Margin was \$981,000 better than budgeted. Net Income was -\$545,000 which was \$959,000 better than budgeted.

FYTD February electric loads were 1% lower than budgeted due to conservation, offset in part by warmer than normal summer temperatures. Retail Sales were \$1,139,000 better than budgeted. FYTD Power Supply Expenses were \$8,274,000 better than budgeted primarily due to prior period true-up credit, lower usage of biomethane gas than planned and savings from biomethane restructuring, and lower than planned O&M expenses, and is partially offset by higher than planned transmission expenses. FYTD wholesale margin was \$455,000 better than budgeted. FYTD Gross Margin was \$9,053,000 better than budgeted. February FYTD Operating Expenses were \$2,578,000 better than budgeted. Net Income was \$18,310,000 which was \$12,144,000 better than budgeted.

## **WATER DIVISION**

### **State Water Projects and Burbank Operating Unit (BOU) Water Production**

The California Water Fix is nearing a go/no go decision by the end of 2018. The MWD Board voted on October 10, 2017 to support MWD's 26% of the project. All State Water Project Contractors south of the Delta have voted to support their share of the California Water Fix as of October 18, 2017. The West Lands Water District in the Federal Central Valley Project, north of the Delta, voted no on their 24% share of the project. Discussions continue on size and funding and how to move forward with the California Water Fix project without West Lands participation. A decision will be made in the next three months on the size (diameter) and number of tunnels (1 or 2) for the project to be "Phased" and go forward with revised cost estimates and flow capacity, 6,000 cfs. This is mostly in response to West Lands vote to not participate in the project. The design and environmental work for the project development anticipated possible changes and covered these contingencies. MWD is analyzing the possibility of assuming a larger portion of the original project. The MWD Board will receive a report from staff and discuss this approach at the April board meeting. A revised project proposal will require approval votes from participating agencies.

Governor Brown issued Executive Order B-40-17, on April 7, 2017, recognizing that the drought was over in California, with the exception of 4 counties in the Central Valley that rely on depleted groundwater basins. The Executive Order does state that the Orders and Provisions in "Making Water Conservation a California Way of Life" remain in full force and effect. This includes: "The Department of Water Resources (Department) shall continue work with the Water Board to develop standards that urban water suppliers will use to set new urban water use standards that urban water suppliers will use to set new urban water use efficiency targets as directed by Executive Order B-37-16. Upon enactment of legislation, the Water Board shall adopt urban water use efficiency standards that include indoor use, outdoor use and leaks as well as performance measures for commercial, industrial and institutional water use. Some language is also directed at conserving recycled water which is not in short supply. The Department shall provide technical assistance and urban landscape area data to urban water suppliers for determining efficient outdoor use. These water use standards must be in place by May 20, 2021, but the State Water Board may set interim standards to ensure progress before the long term standards are adopted in 2021.

This promises a significant intrusion by the State into detailed water use decisions in Burbank, as well as any other water purveyor, beyond simple efficient volumetric use of water. BWP is paying close attention and working with regional and industry groups to comment on, and influence, the development of these standards. As noted above, these actions require enabling legislation which is also being actively pursued in the legislature this year.

Legislation is also moving forward for the state to fund operation and maintenance of water facilities in disadvantaged communities as well as in separate legislation to provide low income rate assistance. Both of these efforts are moving forward under the auspices of water as a basic human right as defined by the California Legislature. One means of paying for these initiatives is proposed as fees attached to individual consumers water bills as opposed to funding through the State General Fund. The Governor has also included this funding mechanism in the proposed state budget. This approach is highly contested by water agencies and is active in the current legislative session.

The following table shows Burbank water use in terms of per capita daily water use in gallons per person per day. It begins in 2009 with the requirement of a 20% reduction per capita in baseline use by 2020. It shows actual per capita water use reduction as well as the Governor's Goal in the Executive Order requiring a 25% reduction although the percentage reduction in the table is measured against the 2009 baseline. Burbank met the 25% reduction in the Executive Order.

Year	20% by 2020 (Baseline)	20% by 2020 (Goal)	2012 (Actual)	2014 (Actual)	2015 (Actual)	2016 (Gov.'s goal)	2016 (Actual)
GPCD	193	155	149	162	139	125	117
Reduction of Baseline %	0%	20%	29%	16%	28%	35%	39%

Burbank consistently met the reduction requirements by utilizing the appropriate stages of the Sustainable Water Use Ordinance. Initially it was Stage III that limited watering to two days a week in the summer and one day a week in winter. With experience and some relaxation of the State mandate, Burbank currently limits outdoor watering to three days a week year round. This is now embodied in the Burbank Sustainable Water Use Ordinance in Stage I and is the "New Normal" in Burbank. The effect of the three day a week watering limitation will continue to be monitored. Given potential future actions by the State, Burbank appears well positioned to meet the future requirements. Water use in Burbank in February 2018 was 117 GPCD with 123.4 GPCD for the Fiscal Year ending on June 30. Monthly GPCD is significantly affected by the lack of rain and warmer weather this winter. Calendar year 2017 water use was 133.5 GPCD, up 8.5 GPCD from 2016 reflecting some rebound in outdoor watering and a dry Autumn. Besides conservation measures, Burbank made significant strides in converting major irrigation and building cooling towers to recycled water which is 100% conservation that will continue year after year. BWP continues to work with customers to utilize recycled water where practical, but recognizes that the largest users have been converted.

The State Water Project (SWP) allocation for 2017 was 85%. A significant event impacting the SWP is the erosion and undermining of the spillway at the Oroville Dam discovered on February 7, 2017. It included severe damage to the main spillway and the emergency overflow spillway. The State has spent close to \$850 million for emergency and permanent repairs that will take two years to complete. MWD added excess water supply of 1.3 million acre-feet beyond its 2017 demand to its storage facilities. The available water exceeded MWD's capacity to place water into its storage facilities so MWD created a Cyclic Storage Program to allow Member Agencies to store water in their groundwater basins and then pay for the water when they take it. At the end of December 2017, Burbank had spread a total of 5,674 acre-feet in the MWD Cyclic Storage account for future purchase as well as the budgeted annual purchase of untreated volumetric water of 7,200 acre feet.

The initial allocation for the 2018 State Water Project (SWP) was 15% on December 1, 2017. The allocation was increased to 20% on January 29, 2018. The continued below average precipitation casts doubt on whether it can or will be increased much more for the coming year. This can still change as the winter storm nears its end and late season precipitation is measured. A SWP allocation of 20% with moderate demand from member agencies will require about 400,000 acre-feet to be withdrawn from what MWD has in storage. Construction repair work on the Oroville Dam Spillway halted for the winter. In its current state the spillway is rated for 100,000 cfs and the lake level is low and will likely not require use of the spillway before late spring. The relatively low level of the lake is one factor in a lower initial SWP allocation.

The BOU was 80.64% available for service in February 2018. Two Liquid Phase Granulated Activated Carbon Filters were offline for carbon change at the start of the month, one came back on line and another went offline during the month. Well v-02 was out of service all month. BWP is maximizing BOU production by optimizing the blend with MWD treated water although lower ground water levels are impacting the operational efficiency of the BOU wells. Testing of drawing water from lower levels in the aquifer, by deflating the "packers" in the lower portion of the well casings requires discussions with the EPA, which are on-going. We are currently awaiting the EPA reply to the Technical Memorandum which clarifies the engineering calculation in support of deflating the packers. Approval to proceed with the 10 week testing period is eminent.

<b>Availability</b>	<b>Production</b>	<b>Average Flow Rate (gallons per minute)</b>
80.64%	73.81%	6,513

#### **Project Updates:**

Work began on installing 2,300 l.f. of 8-inch ductile iron water main in Scott road from Tulare Ave. to Glenoaks Blvd. Work was completed at the end of March.



Work began in January and was completed in February on installing 375 l.f. of 6-inch ductile iron water main in Bob Hope Drive from Riverside Drive to the end of the cul-de-sac.

Work began in March on installing 300 l.f. of 8-inch ductile iron water main in Reese Place from Winona Avenue to Glenoaks Blvd.

Exterior Painting of the Andover water storage tank was completed in March.

Seismic valve actuators are currently being installed at Reservoirs #1, #4 and #5; valve control software was installed in late July 2017 which will enable BWP to program the closing positions of the valve actuators.

Repairs to the tank bottom and touch up painting were completed on Wildwood recycled water storage tank B in March. Work on Tank A is scheduled for April.

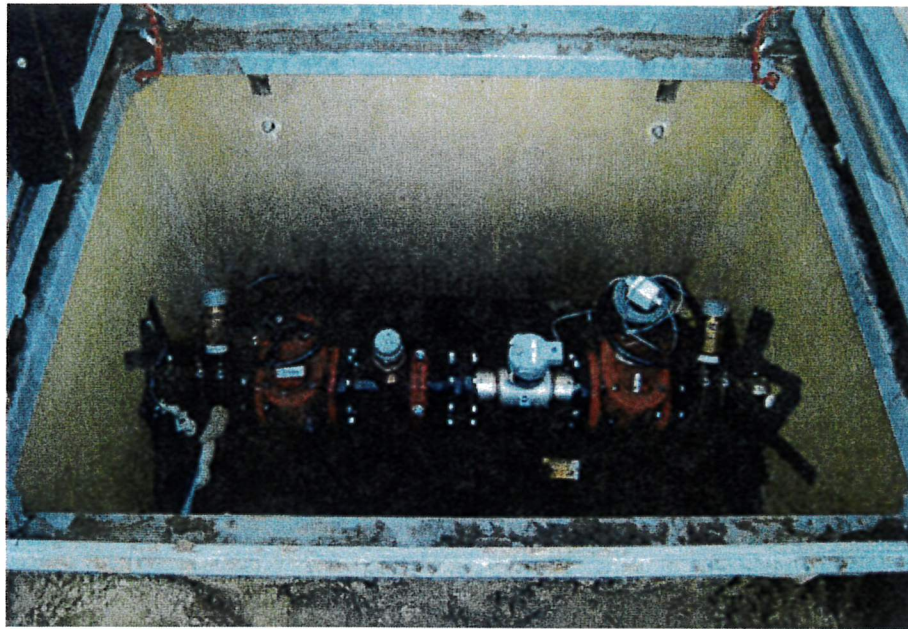
Construction is essentially complete by Williams Brothers on the recycled water distribution main extensions into Los Angeles. The cost of this work is being fully reimbursed by LADWP. Project close out will be pursued in April. LADWP's schedule to activate the mains to deliver recycled water into Los Angeles per our exchange agreement is showing activation of most connections most connections taking place in December of 2018 and going into FY 2019/20. This is disappointing given that years have been available to plan conversions at project completion.

On April 14, 2016 a new Waste Discharge Requirements and Water Recycling Requirements Permit was granted to the City of Burbank by the Regional Water Quality Control Board. This brought the City into full compliance by recognizing the use of RW in cooling towers. A Waste Water Change Petition was submitted to the State Water Resources Control Board (SWRCB), Division of Water Rights. The purpose of the petition is to amend Burbank's water rights to our RW account for our recent expansion of use and for our plans of additional use 10 years into the future. The petition was posted by the State Board on March 29, 2017. Review of the water rights petition is underway at the State Water Resources Control Board, Division of Water Rights. The City of Los Angeles filed a protest on the Waste Water Change Petition in April. BWP is proceeding with answering the protest and securing approval. This process will take several months and will go to the end of the June 2018. On September 12, 2017 City Council approved a Negative Declaration of Environmental Impact for the Waste Water Change Petition. The response to the L.A. protest was filed on September 25, 2017. BWP made a presentation to the SWRCB Board on November 8, 2017 regarding Water Use and Reuse in Burbank with reference to currently unused recycled water to the Los Angeles River. SWRCB issued a letter on February 2, 2018 giving Los Angeles until March 5, 2018 to provide "substantive" information to support their protest or it would be cancelled. No submittal was made by Los Angeles voiding their protest. We are awaiting the approval from SWRCB to proceed with the conversion of four HVAC cooling towers.

Four HVAC cooling tower projects are ready for conversion and awaiting inspection by the County Health Dept. These should go forward with the resolution of the L.A. protest to out change use petition. Pending conversions to recycled water in 2018 include: Nickelodeon and Talaria. Another site that is expected to be converted to recycled water in 2018 is the ornamental fountain at the Valley Pumping Plant.

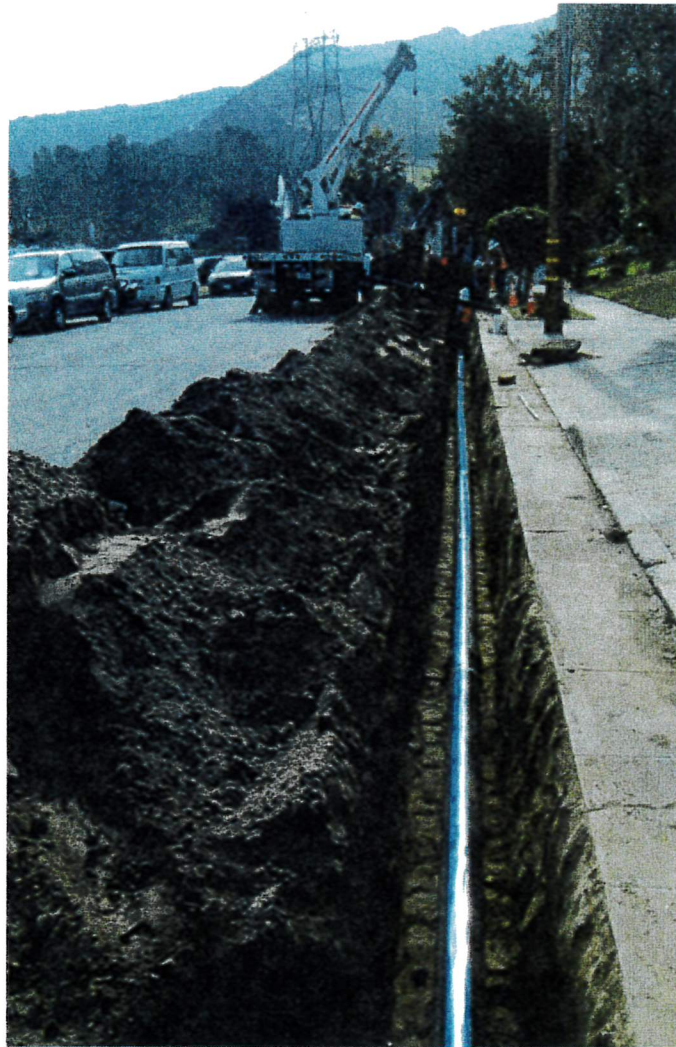
Below are pictures of the crews installing a new Domestic Water Service for the Tallaria project. This work was done on Alameda Avenue.







Crews installed a new 6" Ductile Iron water main to replace a 2" steel pipeline. The work was done on Bob Hope Drive between Riverside Drive and cul-de-sac near the City boundary. The new main will add fire protection to nearby residents as well.





## **DISTRIBUTION**

### **ELECTRIC RELIABILITY**

In February 2018, BWP experienced three sustained feeder outages. In the past twelve months, automatic reclosing has reduced customer outage time by approximately 648,208 customer minutes.

<b>Reliability Measurement</b>	<b>March 2016-February 2017</b>	<b>March 2017-February 2018</b>
Average Outages Per Year (SAIFI)	0.2830	0.4242
Average Outage Duration (CAIDI)	12.51 minutes	16.17 minutes
Average Service Availability	99.999%	99.999%
Average Momentary Outages Per Year (MAIFI)	0.0718	0.1548
No. of Sustained Feeder Outages	6	11
No. of Sustained Outages by Mylar Balloons	0	2
No. of Sustained Outages by Animals	0	1
No. of Sustained Outages by Palm Fronds	5	0

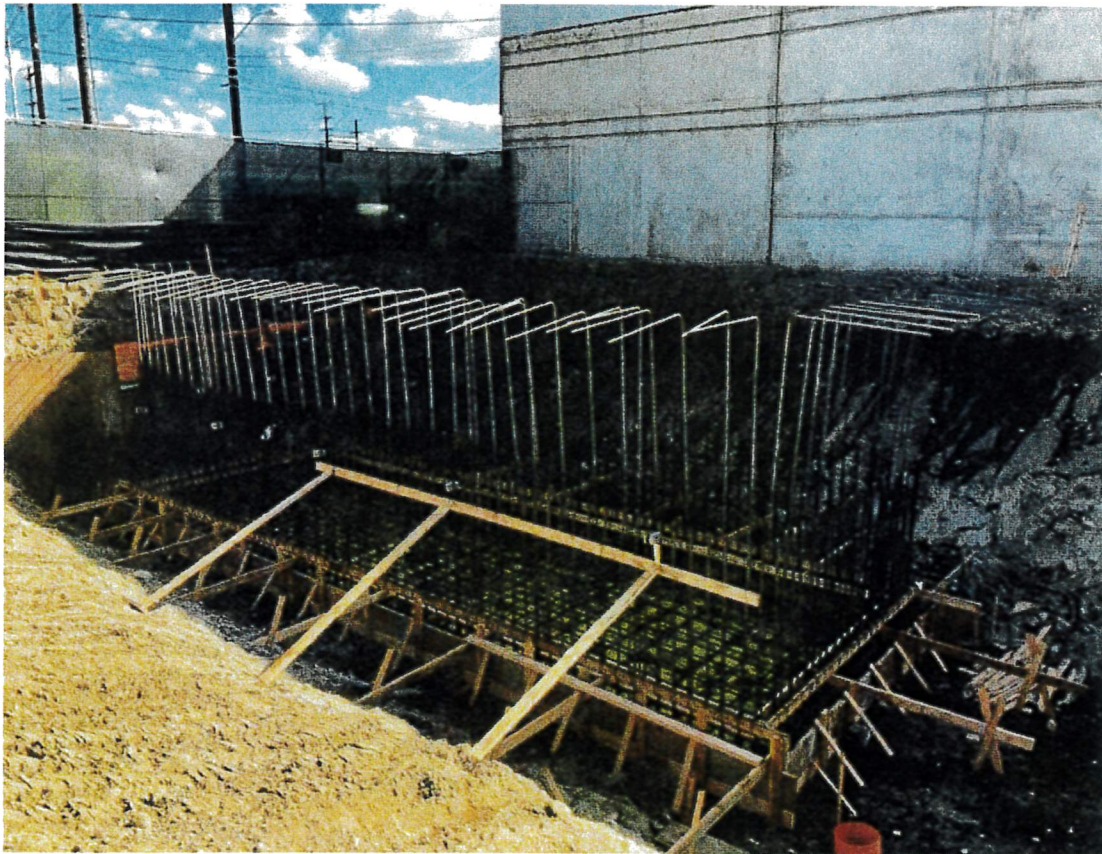


## **PROJECT UPDATES**

### **Ontario Substation**

Phase 1 of this project is underway and includes installation of two transformer banks, two 12 kV switchgear lineups and two capacitor banks plus substructure work for Phase 2. In addition, a new underground distribution system carrying two underground feeders will be built on Winona Ave as well as installation of two 69 kV transmission lines connected to Lincoln and Valley substations.

In February, excavation is continuing. The lowest point of excavation, at approximately 13 feet, was reached and concrete forms for the 69kV cable basement were placed. The concrete for the floor was poured, allowed to cure, and the basement wall forms were constructed. When construction is completed, all 69kV cables will enter the cable basement before being connected to the gas insulated switchgear to be installed later in the project.



Ontario Substation – 69kV cable basement concrete forms





69kV cable basement wall (concrete forms and conduit exits)

### **New EV Chargers at Lake St Parking**

BWP completed the installation of four (4) level-1 dual EV chargers (8 parking spots) and one (1) level-2 dual EV charger (2 parking spots) at the Lake Street employee parking lot. This effort required engineering and construction of infrastructure, purchasing and installation of equipment, and extending the service to the new chargers. The new chargers, which are now ready for employee use, are another step towards electrifying transportation in Burbank.

## **STREET LIGHTING**

### **LED Replacement Program**

In accordance with the 2014 Street Lighting Master Plan, BWP began replacing 100W and 250W HPS streetlight luminaires with LED luminaires. Replacement is carried out on a maintenance basis and LEDs are installed daily as the HPS luminaires burn out. Currently, the CREE XSPR LED 42W has been selected to replace the 100W HPS luminaire and the CREE XSP2 LED 101W replaces the 250W HPS luminaire. To date, 43.24% of the total streetlight luminaires have been converted to LEDs which translates to an annualized energy savings of 2158 MWh or a 23.28% reduction in energy consumption.

## CUSTOMER SERVICE

### **Electric Vehicle (EV) Charging Program**

28 public EV charging stations are in service, including a DC Fast Charger and 16 curbside stations. As of July 1, 2016, Time of Use (TOU) pricing for public EV charging is 17.81 cents per kilowatt hour (kWh) for Level 1 and Level 2 charging during off-peak hours. Between the hours of 4pm and 7pm during the summer, pricing increases to 31.17 cents per kWh. For the DC Fast Charger, the charging rate is 28.90 cents per kWh, increasing to 50.58 cents per kWh during peak hours. Staff continues to monitor usage and maintenance issues.

Month of usage	Usage in kWh	Gross Revenue	GHG reduced in kg	kWh/ Station/ Day	% Peak Sessions	Parking Occupancy	Charging Occupancy
Feb 2018	19,884	\$3,666	8,351	25	23%	30%	25%
Jan 2018	24,790	\$4,927	10,412	29	27%	30%	24%
Dec 2017	24,402	\$4,757	10,249	28	21%	30%	24%
Nov 2017	21,410	\$3,996	8,992	26	21%	29%	24%
Oct 2017	23,000	\$4,828	9,660	27	20%	32%	27%
Sept 2017	20,755	\$4,307	8,717	25	20%	31%	25%
Aug 2017	22,207	\$4,669	9,327	26	23%	31%	26%
Jul 2017	22,981	\$4,845	9,652	27	22%	30%	25%
Jun 2017	21,456	\$4,513	9,011	26	23%	31%	27%
May 2017	21,693	\$4,063	9,111	25	19%	29%	24%
Apr 2017	18,699	\$3,461	7,854	22	20%	26%	21%
Mar 2017	20,151	\$3,777	8,464	23	20%	27%	22%
Feb 2017	17,697	\$3,358	7,433	23	21%	24%	20%
Jan 2017	19,499	\$3,611	8,189	23	20%	26%	22%
Dec 2016	17,472	\$3,130	7,338	20	19%	24%	20%
Nov 2016	17,230	\$3,334	7,521	21	18%	25%	20%
Oct 2016	17,976	\$3,705	7,550	21	18%	24%	19%
Sep 2016	17,810	\$3,811	7,480	21	20%	24%	19%
Aug 2016	19,702	\$4,257	8,275	23	19%	25%	20%
Jul 2016	17,235	\$3,506	7,239	20	19%	24%	19%
Jun 2016	17,278	\$3,469	7,257	21	19%	24%	19%
May 2016*	17,839	\$3,179	7,492	21	N/A	N/A	N/A
Apr 2016	15,212	\$2,622	6,389	19	N/A	N/A	N/A
Mar 2016	15,717	\$2,712	6,601	19	N/A	N/A	N/A
Feb 2016	13,595	\$2,361	5,742	17	N/A	N/A	N/A

\* In May 2016, the number of public chargers increased from 27 to 28.

### **Rooftop Solar**

Not so many years ago, residential rooftop solar was priced beyond the reach of most households. Falling prices, rebates and tax incentives, and no-money-down leasing arrangements have created a new solar reality for many Californians. The following table will be updated monthly to report on Burbank's rooftop solar impact.



<b>Month</b>	<b>Number of Solar Systems Installed This Month</b>	<b>Number of Solar Systems Installed FYTD</b>	<b>Total Solar Systems in Burbank</b>	<b>Total Solar Kilowatts</b>
February 2018	5	70	669	6,832
January 2018	4	65	664	6,808
December 2017	9	61	660	6,777
November 2017	11	52	651	6,713
October 2017	13	41	640	6,630
September 2017	8	28	627	6,446
August 2017	15	20	619	6,405
July 2017*	5	5	604	6,302
June 2017	12	133	599	6,277
May 2017	8	121	587	5,601
April 2017	7	113	579	5,561
March 2017	8	106	572	5,529
February 2017	8	98	564	5,491
January 2017	21	90	556	5,379
December 2016	12	69	535	5,276
November 2016	8	57	523	5,219
October 2016	10	49	515	5,188
September 2016	18	39	505	5,137
August 2016	10	21	487	4,828
July 2016*	11	11	477	4,643
June 2016	7	173	466	4,436
May 2016	16	166	459	4,321
April 2016	5	150	443	4,178
March 2016	14	145	438	4,151
February 2016	20	131	424	4,053
January 2016	27	111	404	3,962
December 2015	16	84	377	3,829
November 2015	18	68	361	3,741
October 2015	14	50	343	3,667

\* Start of new fiscal year.

## TECHNOLOGY

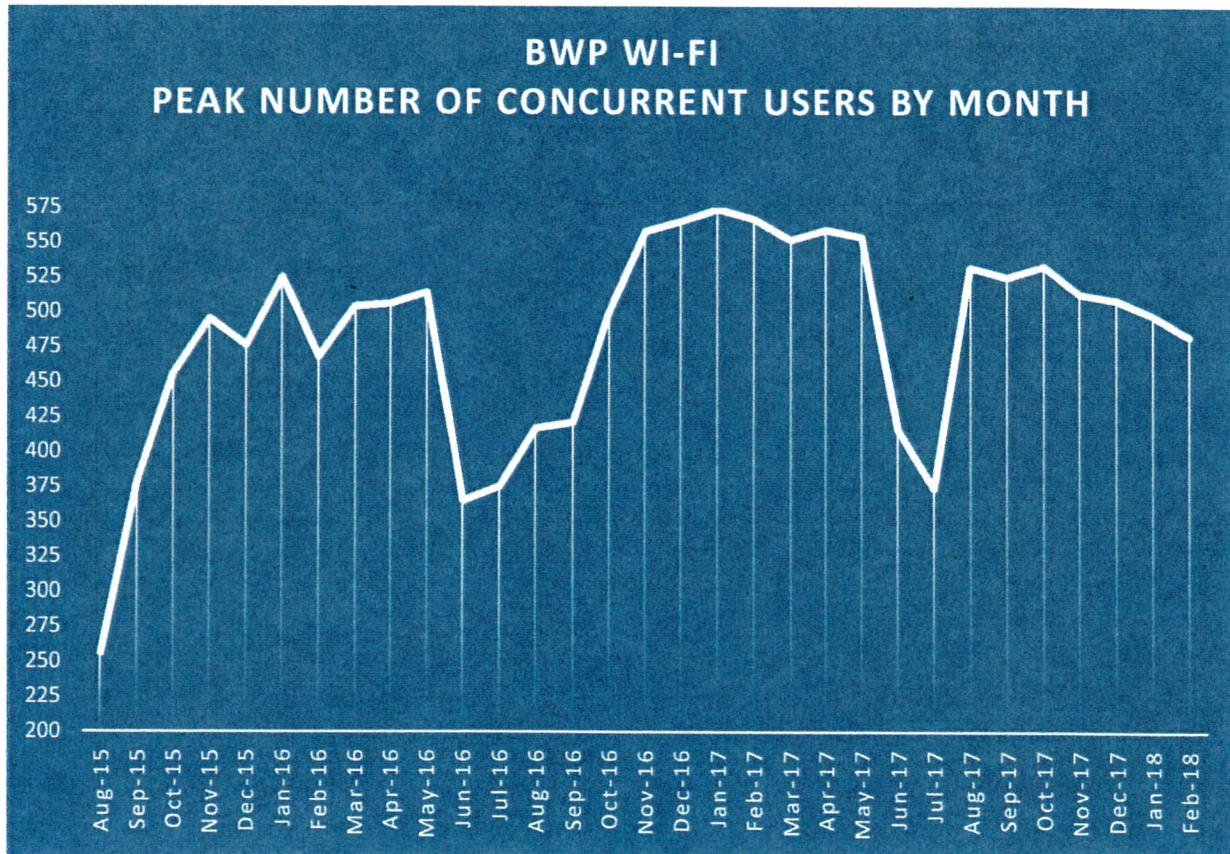
### Broadband Services (ONE Burbank)

	February 2018 New Orders	Revenues for February 2018	FYTD 2017-18 Revenues	FYTD Budget
<b>Lit</b>	2	\$101,891	\$850,358	\$1,040,000
<b>Dark</b>	2	\$190,915	\$1,569,965	\$1,560,000
<b>Total</b>	4	\$292,806	\$2,420,323	\$2,600,000

Values in the table above represent invoiced amounts for monthly recurring revenues only. Actual booked revenues through February 2018 are \$2,447,000.

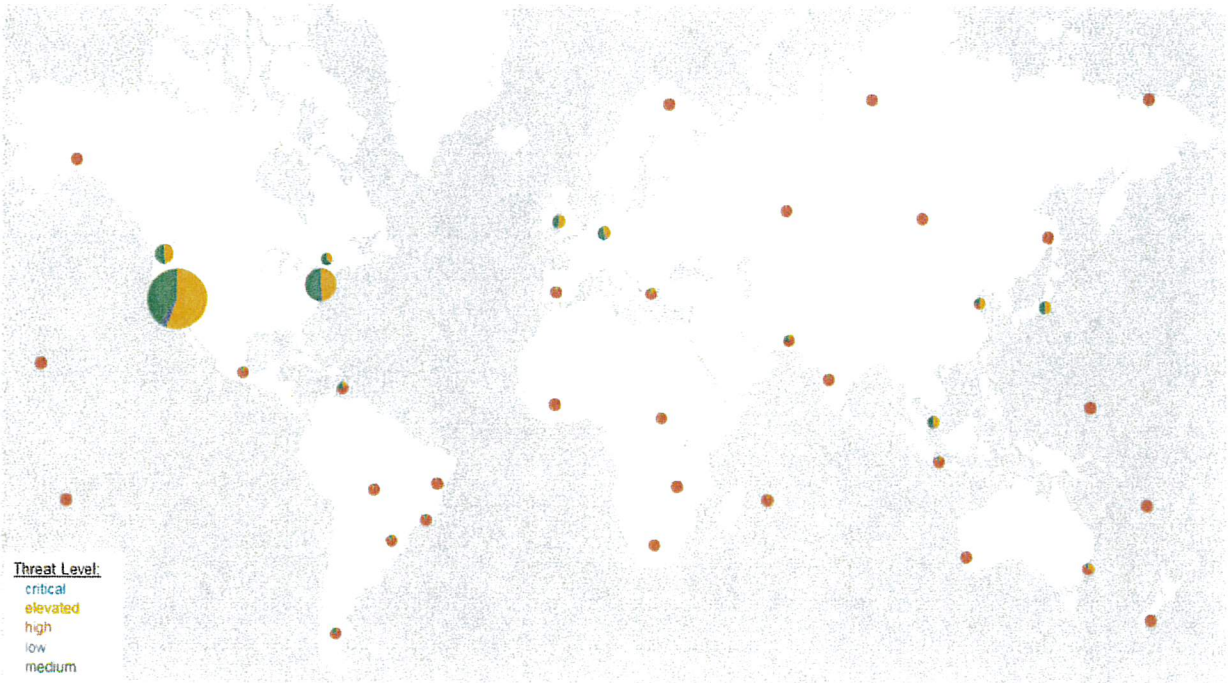
### BWP WiFi

On August 17, 2015, BWP WiFi launched throughout the City of Burbank as a free citywide wireless community broadband service.



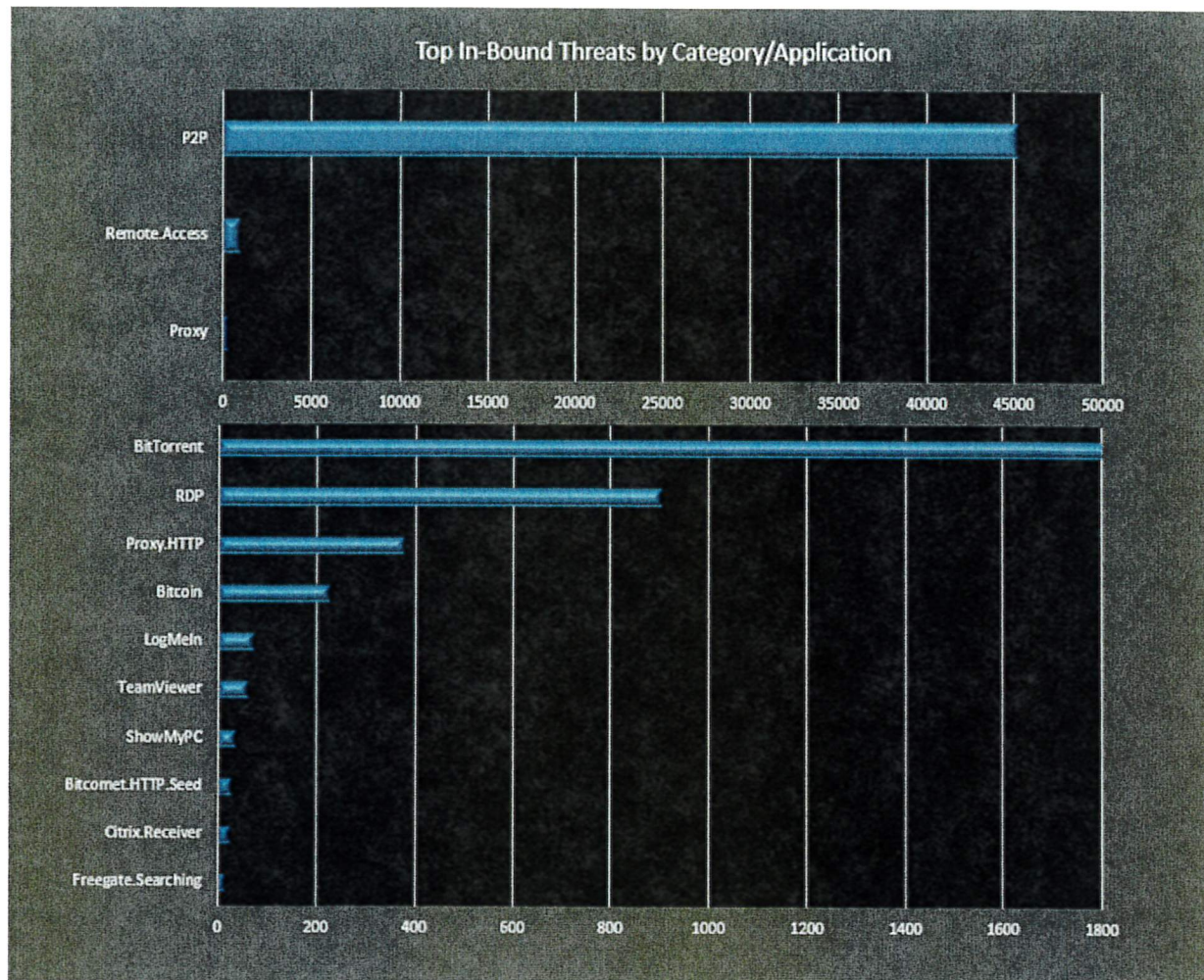
Cyber Security Update – February 2018

The BWP cyber security risk factor is 2.4 out of 5.0 for the month of February. Operational Technology successfully prevented over 114 million cyber security threats of which over 52% were elevated or critical.



In-bound cyber threats by source location





Top In-bound cyber threats by category/application

### RISK FACTOR



**RISK FACTOR:** The risk levels (1=lowest to 5=highest) indicate the application's relative security risk based on a variety of factors and criteria such as whether the application can share files, is prone to misuse, or tries to evade firewalls.

## **POWER SUPPLY**

### **Project Updates:**

#### **Power Resources**

#### **Los Angeles Department of Water and Power Open Access Transmission Tariff Update**

Los Angeles Department of Water and Power (LADWP) has implemented a new Open Access Transmission Tariff (OATT) effective September 1, 2017. The new OATT rates affect BWP's cost for services purchased from LADWP under the Balancing Authority Area Services Agreement (BAASA). Changes to the BAASA's cost of services resulting from the new OATT became effective on February 1, 2018.

Annual cost for services				
Service	FY 18/19 Under	FY 18/19 If	Variance	% Increase
	New OATT rates	Old OATT Rates		
BAASA Regulation & Frequency Response	\$871,952	\$604,350	(\$267,602)	44.3%
BAASA Contingency Reserves	\$3,462,962	\$3,224,186	(\$238,776)	7.4%
	\$4,334,914	\$3,828,536	(\$506,378)	13.2%

Staff is currently evaluating the new OATT, its impacts, and what next steps should be taken.

#### **Integrated Resource Planning**

BWP is planning for its next Integrated Resource Plan (IRP) which, pursuant to new requirements embedded in Senate Bill 350, is due January 1, 2019. As part of these efforts, BWP staff has engaged Ascend Analytics to be its modeling consultant.

Ascend is nearly complete in setting up BWP's modeling parameters, and staff expects to receive output from preliminary simulations in April.

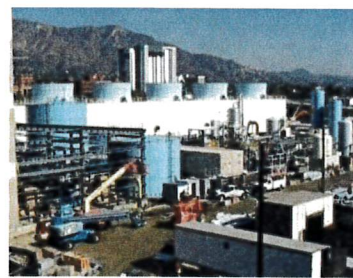
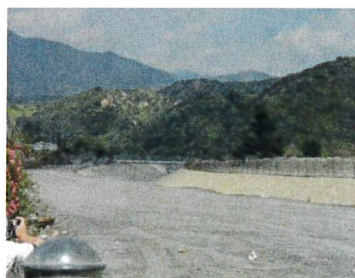
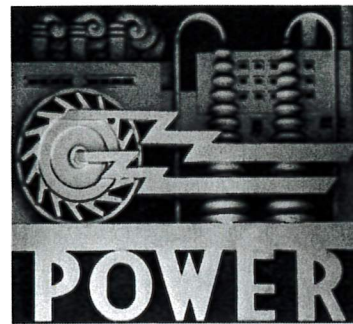
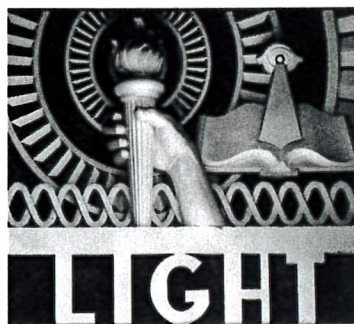
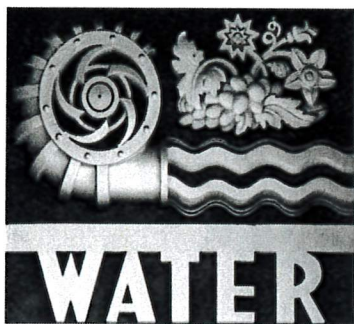
#### **Intermountain Power Project (Delta, UT) Renewal Progress**

The Intermountain Power Project (IPP) purchasers involved with the repowering project have agreed to resize the proposed project to 840 MW, instead of the 1200 MW contemplated earlier. This is being called the "alternative repowering." This change came about because there is not enough definite interest amongst the renewal participants for 1200 MW of gas-fired capacity. LADWP believes the majority of the renewal project participants will assign their capacity interest back to LA, which would cause LADWP to be left with more generation than it requires. Resizing the project to 840 MW minimizes this risk, while still satisfying the needs of the participants. This change requires all existing participants of the renewal power sales agreement to amend both the original power sales agreement and the renewal power sales agreement to reflect the reimagined gas-fired project in Delta, UT.

The alternative repowering increases the potential amount of capacity available on the Southern Transmission System (STS) for BWP, should it choose to participate. The maximum capacity BWP can elect to receive in the alternative repowering is 35 MW. This was formerly 50 MW when the project was contemplated to be 1200 MW. The reduction in generation size does not affect transmission. If BWP chooses to participate at its maximum allowable interest, 35 MW, it would be entitled to 127 MW of capacity on the STS, which was the same upper limit afforded to BWP when the project size was 1200 MW. This is an increase of 19 MW from BWP's current transmission share; this resulted because some of the existing participants have chosen to not participate in the renewal, thus allowing their transmission shares to be distributed to the entities that do participate.



# **Burbank Water and Power**



## **Estimated Financial Report February 2018**

UNAUDITED

**Electric Fund (496)**  
**Estimated Statement of Changes in Net Assets <sup>(1)</sup>**  
**MTD and FYTD February 2018**  
**(\$ in 000's except MWh Sales)**

MTD FY 17-18	MTD Feb-18 Budget	\$ Variance <sup>(2)</sup>	% Variance		FYTD FY 17-18	FYTD Feb-18 Budget	\$ Variance <sup>(2)</sup>	% Variance
76,093	81,333	(5,240)	(6%) <sup>(a)</sup>	NEL MWh	771,995	781,293	(9,298)	(1%) <sup>(A)</sup>
				<b>Retail</b>				
\$ 12,327	\$ 11,973	\$ 355	3% <sup>(b)</sup>	Retail Sales	\$ 124,031	\$ 122,892	\$ 1,139	1%
587	587	(0)	(0%) <sup>(c)</sup>	Other Revenues <sup>(3)</sup>	3,881	4,696	(815)	(17%) <sup>(B)</sup>
8,047	8,562	515	6% <sup>(d)</sup>	Retail Power Supply & Transmission	67,633	75,907	8,274	11% <sup>(C)</sup>
4,868	3,998	870	22%	<b>Retail Margin</b>	60,278	51,681	8,598	17%
				<b>Wholesale</b>				
1,168	3,734	(2,567)	(69%)	Wholesale Sales	12,511	50,441	(37,930)	(75%)
994	3,672	2,678	73%	Wholesale Power Supply	11,215	49,600	38,386	77%
174	62	111	179%	<b>Wholesale Margin</b>	1,296	841	455	54%
5,042	4,060	981	24%	<b>Gross Margin</b>	61,574	52,522	9,053	17%
				<b>Operating Expenses</b>				
947	947	-	0%	Distribution	6,628	8,115	1,488	18% <sup>(D)</sup>
129	129	-	0%	Administration/Safety	1,102	1,102	(0)	(0%)
273	273	-	0%	Finance, Fleet, & Warehouse	1,732	2,152	421	20% <sup>(E)</sup>
450	450	-	0%	Transfer to General Fund for Cost Allocation	3,531	3,599	69	2%
487	487	-	0%	Customer Service, Marketing & Conservation	3,358	3,413	55	2%
411	411	-	0%	Public Benefits	3,184	3,293	109	3%
167	167	-	0%	Security/Oper Technology	1,340	1,375	35	3%
112	112	-	0%	Telecom	712	899	187	21% <sup>(F)</sup>
149	149	-	0%	Construction & Maintenance	1,193	1,141	(52)	(5%) <sup>(G)</sup>
1,476	1,476	-	0%	Depreciation	11,538	11,806	267	2%
4,600	4,600	-	0% <sup>(e)</sup>	Total Operating Expenses	34,317	36,895	2,578	7%
\$ 442	\$ (540)	\$ 981	(182%)	<b>Operating Income/(Loss)</b>	\$ 27,257	\$ 15,627	\$ 11,630	74%



**Estimated Statement of Changes in Net Assets<sup>(1)</sup>**  
**MTD and FYTD February 2018**

This report may not foot due to rounding.

( ) = Unfavorable

Other Revenues include transmission, telecom and internet revenues as well as other items such as damaged property recovery, connection fees, late fees, and tampering fees.

Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets, as well as BABS subsidy.

**Burbank Water and Power**  
**Electric Fund (496)**  
**Estimated Statement of Changes in Net Assets - Footnotes**  
**MTD February 2018**  
**(\$ in 000's)**

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
a.	Electric Usage in MW/h	76,093	81,333	(5,240)	- NEL is 6% lower than budget due to conservation. MTD HDD were 216 versus the 30 year average of 234.
b.	Retail Sales	12,327	11,973	355	- Retail sales are higher than planned, in part due to higher than normal demand revenues and energy usage during mid-peak hours.
c.	Other Revenues	587	587	(0)	- Other revenues have not closed for February 2018 and are estimated at budgeted values.
d.	Retail Power Supply & Transmission	8,047	8,562	515	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-6 for additional details.
e.	Total Operating Expenses	4,600	4,600	-	- Expenses have not closed for February 2018 and are estimated at budgeted values.

**Burbank Water and Power  
Electric Fund (496)  
Estimated Statement of Changes in Net Assets - Footnotes  
FYTD February 2018  
(\$ in 000's)**

Foot-note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Electric Usage in MWh	771,995	781,293	(9,298)	- NEL is 1% lower than budget due to conservation, offset in part by warmer than normal summer temperatures. FYTD CDD were 1,232 versus the 30 year average of 1,073.
B.	Other Revenues	3,881	4,696	(815)	- Other revenues include items such as damaged property recovery, connection fees, late fees, and tampering fees which tend to fluctuate.
C.	Retail Power Supply & Transmission	67,633	75,907	8,274	- The favorable variance is attributable to various components within Retail Power Supply & Transmission. Please refer to page A-7 for additional details.
D.	Distribution	6,628	8,115	1,488	- The favorable variance is primarily attributable to salary savings due to vacant positions, receiving credit for higher than planned O&M work performed for MPP, and timing of expenditures for private contractual services.
E.	Finance, Fleet, & Warehouse	1,732	2,152	421	- The favorable variance is primarily attributable to salary savings due to vacant positions within Fleet and Warehouse, timing of expenditures for aerial truck overhauls and Burbank Tournament of Roses sponsorship, and lower than planned fuel - oil expenses.
F.	Telecom	712	899	187	- The favorable variance is primarily attributable to lower than planned costs for private contractual services (budgeted legal expenses for \$30k and budgeted expenses for a broker to purchase IP address space for \$25k have not been used), and professional services (lower costs than planned for various vendors). Anticipated fiscal year savings are \$100k for Telecom.
G.	Construction & Maintenance	1,193	1,141	(52)	- The unfavorable variance is primarily attributable to the higher than planned costs for the required maintenance and repairs on the Facility HVAC and UPS Systems.
H.	Interest Income	1,105	748	357	- The favorable variance is attributable primarily to higher cash on hand than planned and higher actual return.
I.	Other Income / (Expense)	944	717	228	- The favorable variance is primarily attributable to higher than planned miscellaneous revenue from the sale of scrap materials and obsolete inventory and assets.
J.	Capital Contributions (AIC)	766	5,176	(4,410)	- The unfavorable variance is primarily attributable to the planned Avion Burbank Development revenues being deferred, and Caltrans' delays related to the Burbank Bridge Replacement.

**Burbank Water and Power  
Electric Fund (496)  
Estimated Statement of Cash Balances <sup>(a)</sup>  
(\$ in 000's)**

	Feb-18	Jan-18	Dec-17	Sep-17	Jul-17	Jun-17	Jun-16	Recommended Reserves	Minimum Reserves
<b>Cash and Investments</b>									
General Operating Reserve	\$ 81,269	\$ 87,608	\$ 84,114	\$ 77,668	\$ 71,627	\$ 70,626	\$ 58,277	\$ 52,010	\$ 37,570
Capital & Debt Reduction Fund	10,000	10,000	10,000	10,000	10,000	10,000	10,000	21,000	5,200
BWP Projects Reserve Deposits at SCPPA	15,909	15,882	15,879	15,833	15,792	15,787	15,482		
Sub-Total Cash and Investments	<u>107,178</u>	<u>113,490</u>	<u>109,994</u>	<u>103,500</u>	<u>97,419</u>	<u>96,412</u>	<u>83,759</u>	<u>73,010</u>	<u>42,770</u>
Capital Commitments	(11,742) <sup>(b)</sup>	(12,097)	(14,072)	(16,221)	(16,444)	(16,450)	(17,000)		
Customer Deposits	(7,044)	(8,588)	(8,573)	(8,425)	(8,473) <sup>(c)</sup>	(4,885)	(3,186)		
Public Benefits Obligation	(6,109)	(5,755)	(5,705)	(5,270)	(4,798)	(4,520)	(4,721)		
Biogas Commitment	-	-	-	-	-	-	(7,751)		
Pacific Northwest DC Inter tie	(7,861)	(7,959)	(8,646)	(8,765)	(9,513)	(9,569)	-		
Cash and Investments (less Commitments)	<u>74,421</u>	<u>79,092</u>	<u>72,997</u>	<u>64,819</u>	<u>58,191</u>	<u>60,988</u>	<u>51,101</u>	<u>73,010</u>	<u>42,770</u>

<sup>(a)</sup> The Statement of Cash Balances may not add up due to rounding.

<sup>(b)</sup> Denotes capital commitment for the Ontario Distribution Station and 4kV to 12kV conversion of circuits.

<sup>(c)</sup> Included in the balance is a customer deposit received in May 2017 and July 2017 for \$2.7M and \$3.7M respectively for the Ontario Distribution Station (Avion Burbank Development).

# Estimated February 2018 Budget to Actual P&L Variance Highlights - Electric Fund

(in 000's)

	Variance Month-to-Date		Budget to Actual Variance
	Favorable Items	Unfavorable Items	
<b><u>MTD NET INCOME/(LOSS): \$(545)</u></b>	\$ 959		\$ 959
<b><u>MTD GROSS MARGIN VARIANCE</u></b>			
Retail Sales	355		355
Power Supply and Transmission			
- Lower usage of biomethane gas than planned and savings from biomethane restructuring	258		258
- Received less renewable energy than planned from Copper Mountain & Don Campbell	146		146
- Lower load and economic dispatch, the managing and optimizing of resources by taking advantage of lower fuel and energy prices to meet system load	142		142
- Higher than planned transmission expenses		(31)	(31)
Wholesale Margin	111		111
<b>Total</b>	<b><u>1,012</u></b>	<b><u>(31)</u></b>	<b><u>981</u></b>
<b><u>MTD EXPENSE AND OTHER VARIANCES</u></b>			
In lieu and Street lighting		(22)	(22)
<b>Total</b>	<b><u>-</u></b>	<b><u>(22)</u></b>	<b><u>(22)</u></b>

# Estimated February 2018 Budget to Actual P&L Variance Highlights - Electric Fund

(in 000's)

	Variance Fiscal Year-to-Date		
	Favorable Items	Unfavorable Items	Budget to Actual Variance
<b><u>FYTD NET INCOME - \$18,310</u></b>	12,144		12,144
<b><u>FYTD GROSS MARGIN VARIANCE</u></b>			
Retail Sales	1,139		1,139
Power Supply and Transmission			-
- Prior period true-up credit	4,851		4,851
- Lower usage of biomethane gas than planned and savings from biomethane restructuring	2,364		2,364
- Lower than planned O&M expenses	1,049		1,049
- Higher IPP true up credits than planned	405		405
- Receiving less renewable energy than planned	572		572
- Prior period adjustment credit	78		78
- Higher than planned transmission expenses		(829)	(829)
- Increased rates for Balancing Authority Area Services		(216)	(216)
- Other			-
Wholesale Margin	455		455
Other Revenues		(815)	(815)
<b>Total</b>	<b>10,913</b>	<b>(1,860)</b>	<b>9,053</b>
<b><u>FYTD EXPENSE AND OTHER VARIANCES</u></b>			
Distribution	1,488		1,488
Finance, Fleet, & Warehouse	421		421
Telecom	187		187
Construction & Maintenance		(52)	(52)
In lieu and street lighting		(71)	(71)
Depreciation expense	267		267
All other	851		851
<b>Total</b>	<b>3,214</b>	<b>(123)</b>	<b>3,091</b>

**Burbank Water and Power  
Water Fund (497)**

**Estimated Statement of Changes in Net Assets <sup>(1)</sup>  
MTD and FYTD February 2018  
(\$ in 000's except Gallons)**

	MTD FY 17-18	MTD Feb-18 Budget	\$ Variance <sup>(2)</sup>	% Variance		FYTD FY 17-18	FYTD Feb-18 Budget	\$ Variance <sup>(2)</sup>	% Variance
	372	311	62	20% <sup>(a)</sup>	Water put into the system in Millions of Gallons	3,599	3,360	240	7% <sup>(A)</sup>
	62	49	12	25% <sup>(b)</sup>	Metered Recycled Water in Millions of Gallons	749	711	38	5% <sup>(B)</sup>
<b>Operating Revenues</b>									
					Potable Water	\$ 18,193	\$ 17,779	\$ 413	2% <sup>(C)</sup>
					Recycled Water	2,776	2,703	73	3%
					Other Revenue <sup>(3)</sup>	403	395	8	2%
	2,040	1,878	162	9%	Total Operating Revenues	21,371	20,877	494	2%
	802	760	(43)	(6%) <sup>(e)</sup>	Water Supply Expense	8,040	7,633	(407)	(5%)
	1,238	1,118	119	11%	Gross Margin	13,331	13,244	87	1%
<b>Operating Expenses</b>									
	575	575	-	0%	Operations & Maintenance - Potable	4,051	4,799	748	16% <sup>(D)</sup>
	112	112	-	0%	Operations & Maintenance - Recycled	1,235	912	(322)	(35%) <sup>(E)</sup>
	205	205	-	0%	Allocated O&M	1,312	1,609	297	18% <sup>(F)</sup>
	146	146	-	0%	Transfer to General Fund for Cost Allocation	1,163	1,167	5	0%
	335	335	-	0%	Depreciation	2,472	2,678	207	8%
	1,373	1,373	-	0% <sup>(f)</sup>	Total Operating Expenses	10,232	11,166	934	8%
<b>Other Income/(Expenses)</b>									
	12	12	-	0%	Interest Income	136	96	41	42% <sup>(G)</sup>
	47	47	-	0%	Other Income/(Expense) <sup>(4)</sup>	286	373	(87)	(23%) <sup>(H)</sup>
	(163)	(163)	-	0%	Bond Interest/(Expense)	(1,303)	(1,306)	3	0%
	(105)	(105)	-	0%	Total Other Income/(Expenses)	(881)	(837)	(44)	(5%)
	(240)	(360)	119	33%	Net Income/(Loss)	2,219	1,241	978	79%
	31	31	-	0%	Aid in Construction	256	249	7	3%
	(209)	(328)	\$ 119	36%	Net Change in Net Assets (Net Income)	\$ 2,475	\$ 1,490	\$ 985	66%

1. This report may not foot due to rounding.

2. ( ) = Unfavorable

3. Other Revenue includes items such as damaged property recovery, connection fees, late fees, and tampering fees.

4. Other Income/(Expense) includes miscellaneous revenue from the sale of scrap materials, inventory, and assets.

**Burbank Water and Power  
Water Fund (497)  
Estimated Statement of Changes in Net Assets - Footnotes  
MTD February 2018  
(\$ in 000's except Gallons)**

Foot- note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation	MTD Actual
						\$ 894
						802
						\$ 91
a.	Potable Water Usage in Millions of Gallons	372	311	62	- Potable water sales are higher than planned primarily because of higher than planned demand for landscaping irrigation, due to lower than average rainfall in the month of February 2018. Burbank received 0.16 inches of rainfall as compared to the average precipitation of 4.48 inches in February. MTD HDD were 216 versus the 30 year average of 234.	
b.	Recycled Water Usage in Millions of Gallons	62	49	12	- Recycled water sales are higher than planned primarily because of higher than planned demand for landscaping irrigation, due to lower than average rainfall in the month of February 2018. Burbank received 0.16 inches of rainfall as compared to the average precipitation of 4.48 inches in February. MTD HDD were 216 versus the 30 year average of 234.	
c.	Potable Water Revenue	1,762	1,642	120	- The WCAC impact decreased potable water revenues by \$91k MTD. Without this adjustment, potable water revenues would be favorable by 13%.	
					WCAC Revenue	
					WCAC Expenses	
					WCAC revenue deferral (decreased revenues)	
d.	Recycled Water Revenue	234	187	47	MTD Recycled water revenue corresponds with the demand.	
e.	Water Supply Expense	802	760	(43)	- Water supply expense corresponds with higher demand.	
f.	Total Operating Expenses	1,373	1,373	-	- Expenses, other than water supply expense, have not closed for February 2018 and are estimated at budgeted values.	



**Burbank Water and Power  
Water Fund (497)  
Estimated Statement of Changes in Net Assets - Footnotes  
FYTD February 2018  
(\$ in 000's except Gallons)**

Foot- note #	Accounts/Description	Actual	Budget	Variance to Budget	Explanation
A.	Water put into the system in Millions of Gallons	3,599	3,360	240	- FYTD Potable water sales are higher than planned due to warmer than normal summer temperatures and lower than normal rainfall in the current fiscal year. FYTD CDD were 1,232 versus the 30 year average of 1,073. FYTD Burbank received 2.62 inches of rainfall as compared to average precipitation of 12.77 inches.
B.	Recycled Water Usage in Millions of Gallons	749	711	38	- FYTD Recycled water sales are higher than planned due to warmer than normal summer temperatures and lower than normal rainfall in the current fiscal year. FYTD CDD were 1,232 versus the 30 year average of 1,073. FYTD Burbank received 2.62 inches of rainfall as compared to average precipitation of 12.77 inches.
C.	Potable Water Revenue	18,193	17,779	413	FYTD Potable water revenue corresponds with the demand.
D.	Operations & Maintenance - Potable	4,051	4,799	748	- The favorable variance is attributable to lower than planned spending on professional services, special departmental supplies and street & pavement repair, private contractual services, utilities, receiving higher credit for O&M work performed for Recycled Water as well as salary savings due to vacant positions.
E.	Operations & Maintenance - Recycled	1,235	912	(322)	- The unfavorable variance is attributable to higher than planned O&M work performed by Potable staff, legal work on Water Rights Petition, and higher than planned electricity used for water pumping.
F.	Allocated O&M	1,312	1,609	297	- The favorable variance is attributable to lower than planned allocated expenses (primarily Finance, Fleet & Warehouse) from the Electric Fund.
G.	Interest Income	136	96	41	The favorable variance is attributable primarily to higher cash on hand than planned and higher actual return.
H.	Other Income/Expense	286	373	(87)	The unfavorable variance is primarily attributable to the unpredictability of miscellaneous income.

**Burbank Water and Power  
Water Fund (497)  
Estimated Statement of Cash Balances <sup>(a)</sup>  
(\$ in 000's)**

	Feb-18	Jan-18	Dec-17	Sep-17	Jul-17	Jun-17	Jun-16	Recommended Reserves	Minimum Reserves
<b>Cash and Investments</b>									
General Operating Reserves	\$ 10,070	\$ 10,805	\$ 11,791	\$ 10,842	\$ 8,947	\$ 9,851	\$ 9,547	\$ 12,630	\$ 8,070
Capital Reserve Fund	2,220	2,220	2,220	2,220	2,220	2,220	2,220	5,200	1,300
Sub-Total Cash and Investments	<u>12,290</u>	<u>13,025</u>	<u>14,011</u>	<u>13,062</u>	<u>11,167</u>	<u>12,071</u>	<u>11,767</u>	<u>17,830</u>	<u>9,370</u>
Customer Deposits	(949)	(929)	(968)	(857)	(833)	(788)	(1,764)		
Capital Commitments	(186) <sup>(b)</sup>	(186)	(186)	(227)	(227)	(227)	(553)		
Water Purchase Commitments <sup>(c)</sup>	-	(1,198)	(2,743)	-	-	-	-		
Cash and Investments (less commitments)	<u>11,155</u>	<u>10,712</u>	<u>10,114</u>	<u>11,978</u>	<u>10,107</u>	<u>11,055</u>	<u>9,450</u>	<u>17,830</u>	<u>9,370</u>

<sup>(a)</sup> The Statement of Cash Balances may not add up due to rounding.

<sup>(b)</sup> Capital commitment for the recycled water I-5 Freeway second tie crossing project.

<sup>(c)</sup> 7200 Acre Feet of untreated water was purchased from the Metropolitan Water District, with final payment made in February 2018.

**Estimated February 2018 Budget to Actual P&L Variance Highlights - Water Fund**  
(in 000's)

	<b>Variance Month-to-Date</b>		<b>Budget to Actual Variance</b>
	<b>Favorable Items</b>	<b>Unfavorable Items</b>	
<b><u>MTD NET INCOME (LOSS): (\$240)</u></b>	119		119
<b><u>MTD GROSS MARGIN VARIANCE</u></b>			
Potable Revenues	120		120
Recycled Revenues	47		47
Other Revenue		(5)	(5)
Water Supply Expense		(43)	(43)
<b>Total</b>	<b>167</b>	<b>(48)</b>	<b>119</b>

# Estimated February 2018 Budget to Actual P&L Variance Highlights - Water Fund

(in 000's)

	Variance Fiscal Year-to-Date		Budget to Actual Variance
	Favorable Items	Unfavorable Items	
<b><u>FYTD NET INCOME: \$2,219</u></b>	978		978
<b><u>FYTD GROSS MARGIN VARIANCE</u></b>			
Potable Revenues	413		413
Recycled Revenues	73		73
Other Revenue	8		8
Water Supply Expense		(407)	(407)
<b>Total</b>	<u>494</u>	<u>(407)</u>	<u>87</u>
<b><u>FYTD O&amp;M AND OTHER VARIANCES</u></b>			
Potable Water O&M	748		748
Recycled Water O&M		(322)	(322)
Allocated O&M	297		297
All Other	168		168
<b>Total</b>	<u>1,213</u>	<u>(322)</u>	<u>891</u>





# CITY MANAGER'S OFFICE CITY NOTES

Important Updates for the Burbank City Council

March 30, 2018

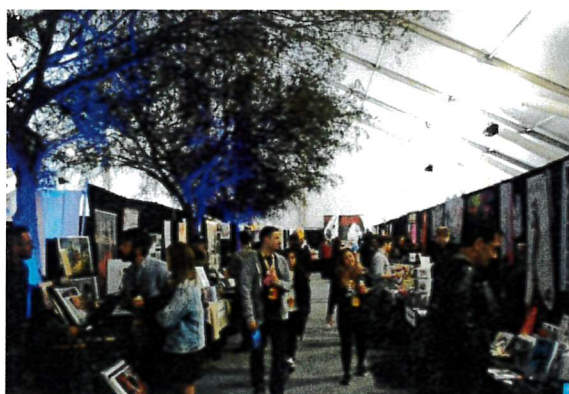
## BPD Participates in Women Leaders in Law Enforcement Luncheon



The Women Leaders in Law Enforcement (WLLE) of Los Angeles County hosted a luncheon attended by several police departments in the surrounding area on Wednesday, March 21. Attendees had the opportunity to listen to a very influential and honorable woman, Los Angeles District Attorney, Jackie Lacey. The Burbank Police Department was represented by both sworn and civilian employees who had a chance to visit and spend time with D.A. Lacey. The Burbank Police Department WLLE group is committed to developing leadership skills while promoting professional networking, self-improvement and career advancement.

## California Association for Local Economic Development Awards

The City of Burbank's Business and Economic Development Division recently won three California Association for Local Economic Development (CALED) Awards of Merit. Awards were presented at the CALED Annual Conference on Friday, March 16, celebrating excellence in economic development in the following categories: Partnerships, Programs, and Promotions. 1) Merit Award for Economic Development Partnerships: Creative Talent Network Animation eXpo Multiyear Retention and Expansion Project. This category honors development projects between public and private sectors, exemplifying the spirit of partnership. 2) Merit Award for Economic Development Programs: Downtown Burbank Art and Mural Capital Improvement Program. This category recognizes outstanding projects making a significant contribution to the field of economic development, including managing resources to influence or carry out economic development policy in a progressive and cost-effective manner. 3) Merit Award for Economic Development Promotions: City of Burbank Economic Development Marketing Video. This category recognizes outstanding efforts and achievements in economic development marketing.





## CPRS Conference and Awards Banquet

The Burbank Parks and Recreation Department was selected as a 2018 California Park & Recreation Society (CPRS) Award of Excellence recipient in the Neighborhood/Community Building Category for the RISE Burbank Program on Friday, March 16. RISE is a free ten-week program that aims to inspire and empower locally based leaders from the City of Burbank. The CPRS Awards program is competitive and open to agencies throughout the state. Entries are assessed on how they tackle a challenge, utilize available resources, execute strategies, create substantial accomplishments, and support the mission of "Parks Make Life Better." The award was presented to staff at the CPRS Awards Reception & Banquet in Long Beach. To date, the Department has received an award from CPRS every year since 2014. In addition, the CPRS District 14 Board will be awarding the Burbank Recycle Center and Starlight Bowl the Going Green Award for their *Go Green!* Campaign to defer 75% of the waste from the landfill during the summer concert series and educate the community on best sustainability practices.



## 2018 Burbank Tech Summit



The 2018 Burbank Tech Summit held on Tuesday, March 6, was a successful event created to promote Burbank as a hub for entrepreneurship and innovation, provide intel into the future of Burbank's core industries of entertainment, technology and healthcare, and promote business retention by showcasing Burbank companies that are innovative and leading the evolution. The event brought together industry leaders from these sectors to discuss future trends and opportunities for 2018 and beyond. The Tech Summit was attended by more than 200 entrepreneurs, tech investors, gamers, healthcare professionals, decision makers, and business executives from across the region. The Tech Summit included keynote speaker Ted Schilowitz, Futurist, from Paramount Pictures and two industry panels discussing trends affecting the workforce, technology and automation; online services; virtual medicine; and the changing needs for future office space.

## Youth Leadership Program – Class of 2018 Graduation

The Youth Leadership Program culminated with a graduation ceremony for the Class of 2018 on Saturday, March 17. This year's class was comprised of 21 high school students who successfully completed the program. Youth Leadership Program facilitates opportunities for high school students to earn volunteer service learning hours, develop confidence in leadership skills, learn about educational and career opportunities, build their personal resumes, network with fellow high school students, and get to know the City and its leaders. This year's program was highlighted with opportunities to tour Walt Disney Studios and Nickelodeon as well as visits to the Burbank Recycle Center, Burbank Federal Credit Union, and St. Joseph's Medical Center. Students were able to learn about leadership through facilitators, guest speakers, City staff, and various interactive sessions. YLP is a free program that was held every other Saturday running from November through March, for a total of nine sessions. The YLP Graduates received certificates of recognition from Vice Mayor Emily Gabel-Luddy at the ceremony.

